

# The Economy—Our Livelihood

*The City of Fairfax has a strong local economy in a crossroads location, with a substantial retail base and a growing office market. The specialization of the City's economy, especially in the retail sector, has perhaps been the main ingredient in its continued success. Proactive measures to strengthen the City's economy within the region should continue.*

## Economic Engines and Centers

The City has a strong economy, resulting from several contributing elements, most prominently the City's location at the intersection of three major thoroughfares within Fairfax County and near Interstate 66. This setting makes the City an ideal location for both retail and office establishments. The presence of large-scale governmental facilities and institutions also provides needed customer traffic and workers to spend money while in the City. A third major element in the City's economic strength is its strong residential base that includes surrounding areas, effectively more than doubling the official City population as a primary trade area.

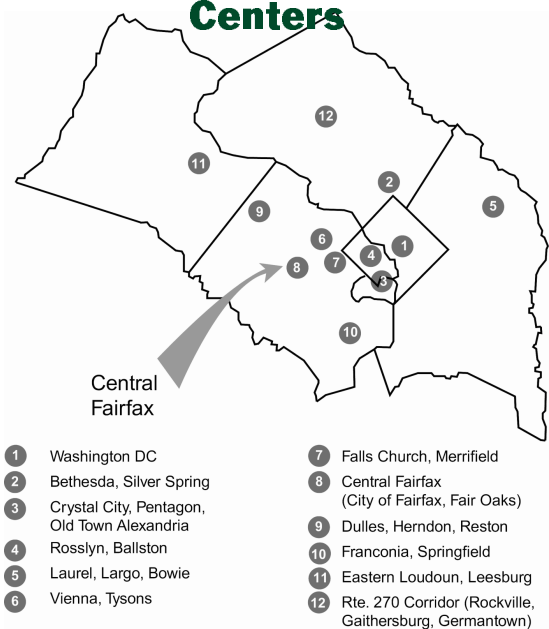
The City has a substantial economic core of small retail businesses. Despite their small size, many of these businesses are important well beyond the City limits due to the specialization of their merchandise. In many cases a number of these specialized businesses exist close to other stores of their type, leading the City to be a major regional center for shopping for certain types of goods. Thanks both to these regional stores, and to the locally-oriented ones, retail sales taxes are responsible for a significant portion of the City's total annual revenues. However, it is important that the buildings and centers that house the City's retail activity remain productively used and up-to-date. The retention, expansion and upgrading of this retail infrastructure is the focus of the City's economic development program. This approach will inevitably lead to long-term economic growth and reinforce the City's market niche.

The City's retail sales activity is mostly carried out in three main areas. Foremost in terms of sales and activity is the Lee Highway Corridor, which includes focal points such as Fairfax Circle, Northfax and Kamp Washington. In addition to these high profile nodes, the entire length of the corridor has a high level of retail activity combined with several of the City's largest office buildings. The second largest retail area is located at the intersection of Main Street and Pickett Road. This intersection houses three shopping centers: Fair City Mall, Pickett

Shopping Center and Turnpike Plaza. Although none of these shopping centers is individually of great size, the combination of the three produces a scope, scale and convenience to give the area high presence and importance in the Central Fairfax area, including substantial territory outside the City limits. The third major retail area is Old Town Fairfax, the City's historic center. As will be seen below, this area, while containing a sizable number of retail and shops and office facilities, has not met its potential to become a feature attraction in the City that can draw shoppers, tourists and other crucial visitors in a manner that rivals other historic downtown areas in Northern Virginia.

George Mason University, with a potential billion-dollar impact on the local economy and an enrollment projected to soon grow to 35,000 students, is an important element of the City's economic base. The City and its business community have formed a partnership with the University to identify and

**Map ECO-1**  
**Economic Engines and Centers**



Source: City of Fairfax

realize mutual goals by expanding the facilities and services in the City that support the activities of university students, faculty and staff. Such efforts benefit the City through additional retail sales and enhanced cultural opportunities.

Building on its sense of history, central location and strong business climate, the City is planning for its economic future. Optimum use of technology, entrepreneurial leadership, promotion of tourism and economic infrastructure development, and formulation of partnerships with private businesses, George Mason University and other local jurisdictions will further strengthen the City's economic base well into the 21st Century.

## The Regional Context

The City of Fairfax has emerged as a major economic hub in Northern Virginia and stands poised to lead economic development activities in the Central Fairfax Market area of the Washington Region (see Map ECO-1). Building on its prime location and excellent business climate, the City is maintaining its efforts to maintain and broaden its economic base to include a variety of specialty retail businesses as well as research and development firms, association and corporate headquarters and similar office uses. This will strengthen the City's tax base and allow citizens and businesses to continue enjoying the high quality of life they have come to expect in the City.

Despite the favorable conditions of its economic base, the City is also highly dependent on the fortunes of the regional economy as well. Rapid expansion of the Northern Virginia office market combined with the failure of many of the region's internet-based industries has caused regional office occupancy rates to fall. This trend will slow the development of new office space regardless of the City's office space needs. Similarly, the recent dip in regional employment rates has caused a slowing down in the rate of consumer spending. Such changes can greatly affect the City's economy, especially in that many of the local retail establishments sell goods that may be viewed as luxuries during a slow economy.

## Economic Indicators

The City of Fairfax is the largest per capita contributor to the Virginia sales tax of any jurisdiction in the Commonwealth (see Figure ECO-1). This fact indicates the presence of vigorous retail sales activity in the local economy.

Retail sales represent a substantial component of the City's economy, generating taxes responsible for 12 percent of the City's gross revenues in 2002 (see Figure ECO-2).

The City has one of the lowest overall local tax rates in Northern Virginia. As shown in Figure ECO-3, approximately

55 percent of the City's 2002-03 general fund revenues were generated by the commercial sector. Consequently, any changes in commercial revenues have a significant impact on the City's overall revenue picture.

Economic development efforts in the City focus on two principal areas—Old Town Fairfax and the Lee Highway Corridor. These areas compose the majority of the City's commercial development and offer the greatest potential for expanding and enhancing the economic base.

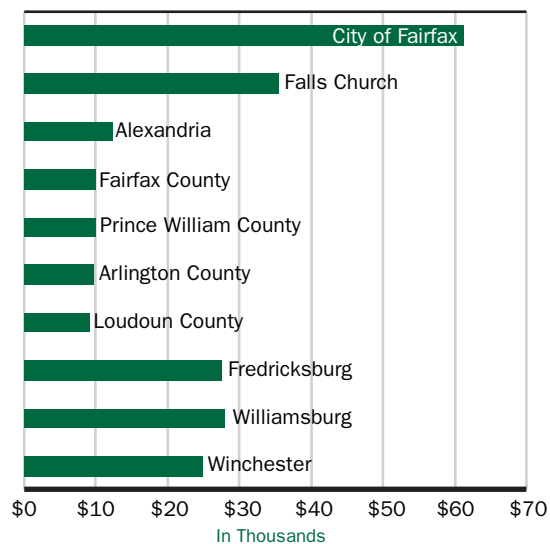
## Office Space Profile

Various types of office space are found in the City, ranging from mid-rise office buildings (up to 6 stories) to townhouse style offices and small offices in converted dwellings. The majority of the City's office space is located along the commercial corridors.

In the Old Town area, several residential and commercial structures dating back to the early nineteenth century are now used as offices. A substantial amount of newer office development is also located within Old Town Fairfax and the immediately surrounding areas.

Historically, office development in the City has been stable and has generally reflected regional trends. The City's supply of office space reached a total of 4 million square feet by 2002,

**Figure ECO-1**  
**Retail Sales Per Capita (1997)**



Source: Virginia Department of Taxation

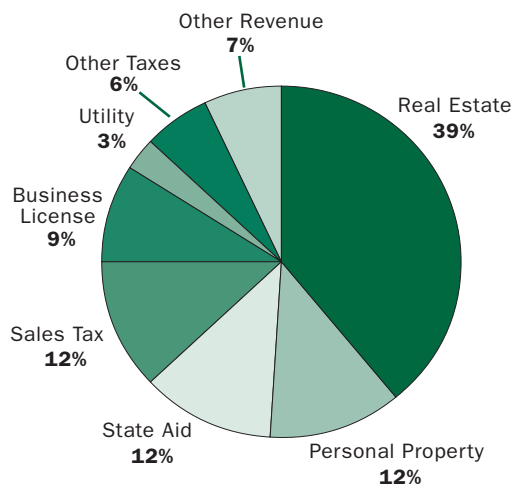
*The City continues to enjoy the highest per capita retail sales in Virginia, providing the City with impressive amounts of sales tax revenue.*

with a vacancy rate of 3 percent. This compared favorably with both the Northern Virginia and Washington DC submarkets, which had vacancy rates of 4.2 percent and 10.7 percent, respectively, at that time. The City's vacancy rate has not always been favorable. The economic recession of the early 1990s, combined with the 1991 relocation of Fairfax County's administrative offices (324,000 feet of downtown office space) to the newly constructed Government Center located outside the City limits combined to create a 14 percent office vacancy rate in the City. During the peak of the early 1990s recession, the City's office vacancy rate reached an all-time high of 20.5 percent (see Figure ECO-4).

Since July 1992, the office vacancy rate has steadily declined. The average office space absorption from July to September 2002 was between 17,000 and 18,000 square feet per month. Consequently, the City's Economic Development Office reported a 9.4 percent vacancy rate by June and a 4.8 percent vacancy rate by November in 2002. Vacancy rates for Northern Virginia during the same June and November periods were 7.5 and 10.7 percent, respectively. Washington, DC area vacancy rates held at approximately 4.2 percent from June to November of 2002.

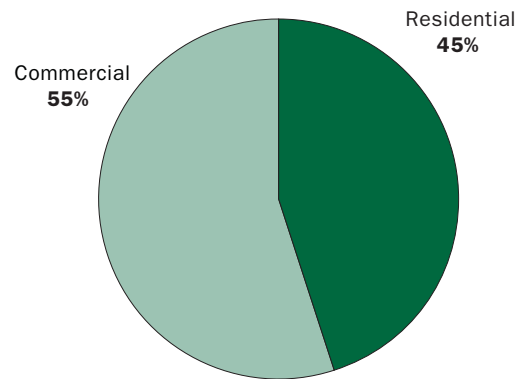
As of September 2003, the vacancy level was up slightly, to 300,000 square feet or 7.5 percent of available space. Likewise, rates for office space were soft, having dropped \$1.50 per foot over the last two years. For large office tenants—over 20,000 square feet—there was essentially no available space in the City. Consequently, there is some pressure for office construction to provide for this size tenant. There also existed demand pressure for small office buildings—10,000 to 30,000 square

**Figure ECO-2**  
**City of Fairfax General Fund Revenues, Fiscal Year 2002-2003**



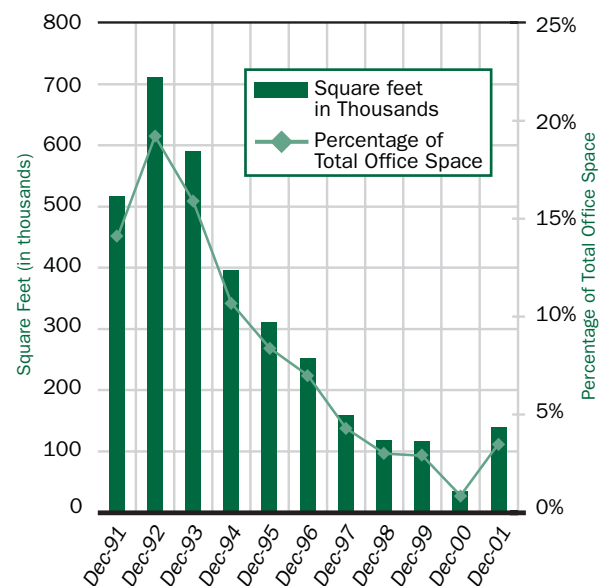
Source: City of Fairfax Proposed Budget, Fiscal Year 2002-2003

**Figure ECO-3**  
**City of Fairfax Gross Revenues Fiscal Year 2002-2003**



Source: City of Fairfax Proposed Budget, Fiscal Year 2002-2003

**Figure ECO-4**  
**Office Vacancies: 1991-2001**



Source: U.S. Census Bureau

Since the recession of the early 1990s, the City has enjoyed a low office vacancy rate.

feet in size—for purchase as owner occupied space. Due to the demand for the types of office spaces, it is anticipated that that rate of absorption will continue and even accelerate over the next two years as vacancies in the County are reduced.

The vacancy rate in Fairfax County in early fall 2003 was 18 percent, representing 18 million square feet. Most of these vacancies were in the form of new construction. At that time, the County had recently announced several major occupancies that consumed 1 million square feet of office space and the County was aggressively marketing for new tenants. It was estimated that it would take about 4 years to reduce the County's vacancy rate to a more manageable figure of approximately 5 percent. In the County markets nearest to the City—Fair Oaks, Fair Lakes and Fairview—the vacancy rates were closer to 12 percent, which was helpful in keeping City lease rates favorably high.

Within the next 2 to 4 years, the demand for new office space in the City and these other Central Fairfax markets is projected to increase, especially for Class A office space. Due to the City's location and office lease rates, this trend should reinforce the City's efforts to encourage redevelopment along Lee Highway.

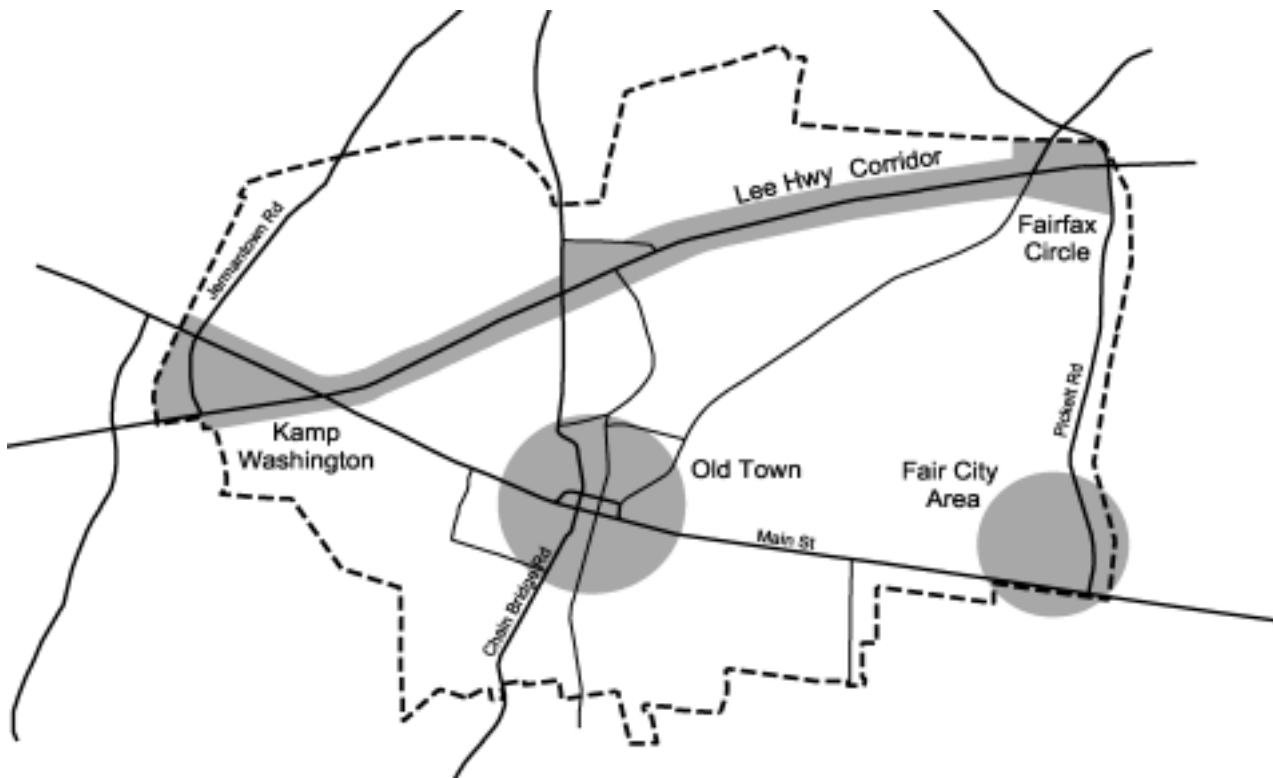
The City is positioning itself to attract some of the demand by implementing policies and programs designed to attract office development. This effort includes developing an inventory of preferred sites for office development, providing improvements and streetscape enhancements that will improve the visual appeal of City locations, and pursuing the types of related business services that typically complement office development.

## Retail Space Profile

The City's retail base is composed of a mix of freestanding establishments and shopping centers. More than half of the City's shopping centers, and many of the freestanding stores outside of the Old Town were built between 1947 and 1969. Most of the City's retail businesses are located in the City's primary commercial areas of Kamp Washington, Fairfax Circle and Pickett Road/Main Street (see Map ECO-2).

Commercial development along the Lee Highway corridor is responsible for much of the local retail economy. This commercial corridor extends for approximately three and one half miles from Fairfax Circle to Kamp Washington and contains a mix of shopping centers, free-

**Map ECO-2**  
**Primary Commercial Areas**



standing restaurants, shops and services, office buildings and residential condominiums.

Many of the older shopping centers and free-standing establishments are exhibiting signs of obsolescence in building design, parking, signage and landscaping. New and used motor vehicle sales establishments also consume much of the land area along the corridor. These areas offer opportunity for redevelopment to change the face of the Lee Highway corridor and enhance the City's economy.

Old Town Fairfax is another well-defined retail area that contributes substantially to the City's retail economy. The Historic and Transition districts contain shopping centers and small retail shops that are a combination of destination shopping and retail oriented towards local clients. Old Town has a distinctive environment of small structures located adjacent to the streets. Many of the buildings located within the Old Town Fairfax Historic District were constructed around the turn of the century. These historic buildings, containing a variety of small businesses, combine to create a distinctive business environment.

The Pickett Road/Main Street area also contains a concentration of retail establishments that generate significant retail sales. Fair City Mall and the Turnpike and Pickett Shopping Centers contain more than half a million square feet of retail development and are responsible for more than one-fourth of all retail sales in the City.

In 2002, there were 2 million square feet of retail space in the primary commercial districts, and 3.6 million square feet of retail space Citywide. The 360 retail businesses occupied a total of 3.55 million square feet of building space, leaving only 54,000 square feet of retail space vacant. This represents a retail vacancy rate of 1.5 percent, which is unusually low given the age of the City's retail properties, the small size of these businesses, and the competitiveness of retail development to the west of the City. While a low vacancy rate reflects a thriving retail base, it also constrains the opportunity for businesses to expand in the City and indicates limited options for locating new businesses.

In 1992 the City commissioned Hyett-Palma Associates to study the City's retail potential. The study, entitled "Retail Market Assessment and Commercial Area Enhancement Strategy" concluded that a substantial unmet demand exists for convenience goods and services, as well as specialty products, near neighborhoods where customers reside. Specific businesses of this type include grocery stores, dry cleaners, barber/beauty shops, furniture and home accessory stores, sporting goods, home improvement stores, drug stores, personal care products, book stores, and restaurants that cater to local residents. The Hyett-Palma study, though over 10 years old, points to potential market expansion in the City.

The City's retail businesses serve not only those who live or work in the City but also those who visit the City for business or pleasure. Approximately 20 percent of retail/restaurant sales in the City are tourist related. Old Town Fairfax experiences a higher percentage of tourist-related sales because it serves both the local area resident and a broader market of visitors seeking specialty goods and services in a traditional commercial district.

As of Fall 2003, the City of Fairfax retail market was in a very strong position. The vacancy rate was 1 percent, with less than 35,000 square feet of space is available for new tenants. Rental rates remained relatively low due to the age of many of the properties in the City, a fact that contributed to the strong occupancy levels. The potential for the City to garner more market share as outlined in the Hyett-Palma study has already been achieved. To increase the City's market share into the future, new retail buildings are needed that will provide for additional, new retail businesses. To some small extent, an upgrade of current retail properties and retail businesses could increase the City's market share.

The City's trade area had undergone many changes between 2000 and 2003. In addition to a general increase in household incomes in the trade area, there had been an explosion of new residential projects primarily to the south and west of the City along Route 29 (Lee Highway) and Braddock Road. There has also been an increase in retail construction in the Route 29 Corridor alongside several of these residential developments. City businesses will not be the only businesses to share in this market increase. In summary, the market population has increased and will increase more in the next two to five years and incomes have continued to increase in the City's trade area to make room for further growth.

## Employment

According to the Metropolitan Washington Council of Governments (MWCOG), after decreasing from 2.21 million jobs in 1990 to 2.14 million in 1992, the number of jobs in the region rose to 2.20 million during 1994. The most recent figure, 2.8 million in 2000, shows that the area's job creation was as strong as its population growth. The service sector, including business, health, legal and other services is the core of the region's job market. More than one of every three jobs in the region is a service job. Construction jobs and finance, insurance and real estate (F.I.R.E.) jobs have led the region in new positions; however, losses of federal and state government jobs have limited overall growth.

MWCOG projects that by the year 2020, 50 percent of the region's jobs will be located in the inner jurisdictions of the Washington Metropolitan Statistical Area, which includes the City of Fairfax (Compared to 49 percent in 1990). In 1990, 2.4



percent of the jobs in Northern Virginia were located in the City. In 1990, the number of jobs in the City declined to 26,900 due to the effects of the recession and the relocation of County employees. Since 1990, the number of jobs in the City has experienced a steady rise and totaled 30,800 by 2000 (see Figure ECO-5). By the year 2020 the number of jobs in the City is expected to rise to 35,000.

In 2000, most of the jobs in the City were concentrated in four sectors, services, trade, F.I.R.E., and government (see Figure ECO-6). The largest employment sector, the services sector, supplied approximately 40 percent of the jobs in the City. The four leading services within this sector are health services (28 percent), business services (22 percent) engineering and management services (18 percent) and legal services (9 percent). The second largest employment sector, the trade sector, contained 32 percent of the jobs in the City with approximately 88 percent of those jobs in retail trade and 12 percent in wholesale trade. F.I.R.E. provides approximately 8 percent of the City's employment base. The government sector constituted 9 percent of the City's total employment. Approximately 38 percent of the government sector jobs were in the federal government, 33 percent were state government employees and the remaining 29 percent were in local government. Construction, manufacturing, transportation, communication and public utilities

composed the remaining 11 percent of the City's employment base.

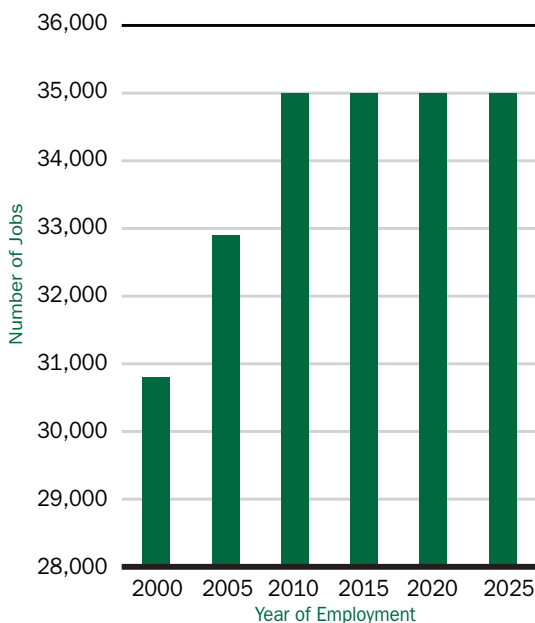
Major private employers in the City include Sun Trust Bank with 450 Employees, Verizon Wireless with 262 employees, and Fairfax Nursing Center and Ted Britt Ford, each with 250 employees. The largest public employers in the City include Federal Technology Services with 425 employees and the City of Fairfax with 387 employees.

## Economic Development Initiatives

The City has developed an aggressive economic development program utilizing innovative and comprehensive strategies to address issues such as:

- The aging of the City's infrastructure and business corridors;
- The effect of rapid commercial and residential development to the west of the City;
- The creation of an adequate supply of modern office space; and

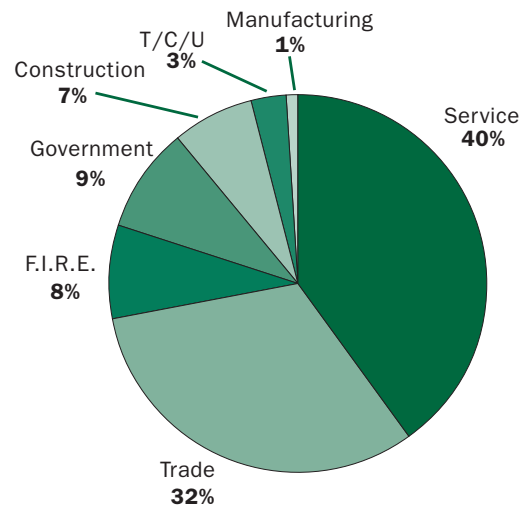
**Figure ECO-5**  
**City of Fairfax**  
**Employment Projections**



Source: Metropolitan Washington Council of Governments

**Employment is projected to rise between 2000-2010, remaining nearly constant until 2025.**

**Figure ECO-6**  
**City of Fairfax Employment**  
**by Industry, 2000**



Source: Virginia Employment Commission

**The service and trade sectors continue to account for the vast majority of local jobs. (T/C/U—Transportation, Communications & Utilities).**

- The desire of residents to retain the prevailing sense of community and enhance the attractiveness of the City's small town atmosphere.

Recent advances in the City's economic development efforts include:

- Creation of the Economic Development Office in 1990 with the following goals:
  - Encourage office development;
  - Encourage retail development;
  - Revitalize the historic district;
  - Redevelop Lee Highway; and
  - Develop services and facilities to support tourism within the City of Fairfax.
- Creation of the Economic Development Authority (EDA) in 1994 to market the City's commercial areas. The redevelopment of Lee Highway, the City's major commercial corridor, was established as one of the EDA's first priorities.
- Support of economic development groups such as the Old Town Fairfax Business Association, Downtown Fairfax Coalition, Inc. and the Central Fairfax Chamber of Commerce. These associations encourage members of the business community to participate in organized events and activities that help promote the City and attract new customers and businesses.
- Creation of the Business Enterprise Center (BEC), a cooperative venture in economic development that supports the start-up of new businesses by providing small office space and shared office services such as a receptionist, secretarial services, a reception area, conference rooms and office equipment facilities. This helps businesses reduce their overhead costs during the critical first few years. The BEC was established in 1995 as a joint effort between the City of Fairfax and George Mason University's Small Business Development Center and is located in Old Town Fairfax.
- Creation of a Tourism Council to pursue activities that will enhance tourism throughout the City. Tourism activities are further supported by renovations to the City of Fairfax Museum and Visitors Center and the addition of a paid, part-time staff person to oversee the Visitors Center operation.
- Implementation of a marketing campaign to promote the City as a modern community with a 200-year heritage of hometown charm and convenient access to other key locations in the Washington Metropolitan Area. Promotional advertisements have been printed in leading busi-

ness and travel/tourism magazines and have been presented at various trade shows.

- Establishment of an aggressive tax abatement program to encourage renovation and revitalization of older commercial structures. The amount of tax relief is based on the increase in value of a commercial structure that has been substantially rehabilitated. The tax abatement program is applicable to properties in Old Town Fairfax and along the Lee Highway corridor, and offers a ten-year "sliding scale" tax reduction.
- Preparation of planning and engineering studies for the Lee Highway Corridor Revitalization, the Northfax Gateway project and the Logan/Sipan project.

## ***Lee Highway Corridor and Northfax Gateway***

The Lee Highway Corridor, as the location of the majority of the City's retail establishments, office space and automobile dealerships, is of unequalled importance to the local economy. Unfortunately, the corridor is currently in an uneven condition, due to the presence of a large number of aging and obsolete buildings and sites that detract from the corridor's potential. In order to get the Lee Highway Corridor to perform at the desired level, two strategies are being pursued to enhance the appearance of the Corridor and to facilitate widespread redevelopment. (For more information on Lee Highway Corridor redevelopment, consult Appendix B.)

At Kamp Washington, the Economic Development Authority is pursuing a public/private partnership to develop a mixed-use project with a residential and commercial component (see Map ECO-3). The residential component will provide a transition between nearby single-family residential neighborhoods and the proposed commercial development. Although development of this site will be challenged because of inadequate storm water infrastructure, the EDA is examining development incentives to improve storm water facilities and enhance development potential.

## ***Downtown Redevelopment***

Old Town Fairfax has long served as a major regional employment center due to the long-standing presence of Fairfax County government facilities, especially the courthouse. Despite the continued presence of County court facilities, the City Government and the nearby location of George Mason University, Old Town Fairfax has retained the character of its small town roots amidst the surroundings of a rapidly growing suburban area. Despite the persistence of buildings and the scale of development indicative of Fairfax's past, Old Town Fairfax has some flaws that many in the community have wanted

to address. Among these flaws are a limited selection of retail shopping opportunities, the high visibility of surface parking lots and the presence of buildings that do not contribute to the character that distinguishes Old Town's core from the rest of the Central Fairfax area.

A recent step towards improving the appearance and performance of Old Town was the renovation and expansion of University Shopping Center. Completed in 2002, this project converted a dilapidated strip center into one of the region's more attractive supermarket-anchored retail developments. The construction and additional building to the center (re-christened as Main Street Marketplace) allowed for greater interaction with the Old Town core, effectively extending the area eastward along Main Street. The completion of the Providence Square condominium development in 2003 complemented the Main Street Marketplace development by placing a newer property that also evoked historic architecture across the street from the shopping center.

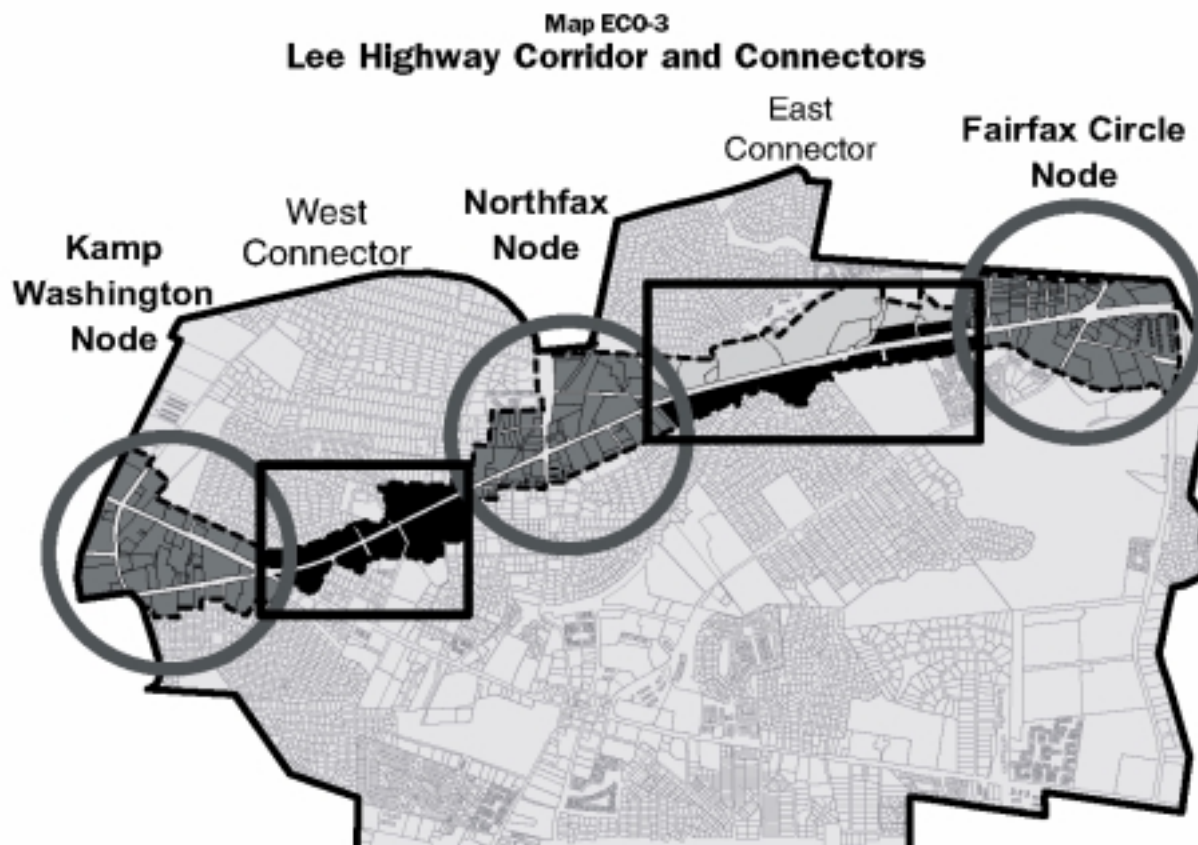
More recent efforts have focused on the redevelopment of the City-owned Logan/Sipan property in conjunction with the parking lot on the corner of North Street and Old Lee Highway. While not wanting to compromise the essential character of Old Town, the redevelopment opportunity presents an oppor-

tunity to strategically add complementary mixed use buildings that extend the feel of the core area of Old Town while adding a combination of retail, office and residential space. As of October 2003, the City is in the process of selecting a development team to accomplish this redevelopment.

Through the implementation of these economic development initiatives, the City will realize an expanded tax base, enhanced by attractive development in the context of "small town" community, while capitalizing on the advantages of co-location with a major university.

## Opportunities for High Performance

Based in a central location of a rapidly growing region with high levels of retail sales, strong office occupancy and the tax receipts that accompany such activities, the future of Fairfax's economy is in a very desirable position. However, to ensure that the local economy remains strong and performs to its highest potential, proactive measures are required. Perhaps most important is that the City works to maintain a balance between different sectors of its economy, avoiding relying too



Source: City of Fairfax Economic Development Authority



much upon retail. Ideally the City's economy should be based upon a mix of retail and office with an increasing emphasis on activities that take advantage of the proximity of GMU. Areas such as biotechnology, information technology, and professional services should develop as a means of taking advantage of the emerging economic opportunities location near a large university create. Ideally GMU should create some formal mechanism for spinning off university research and expertise into entrepreneurial activities.

The City's economy should benefit in related areas outside the dynamics of office space, sales tax receipts and employment. A strong economy that remains up-to-date would ideally create a desire for housing in the City for workers wanting to be near both their jobs and the City's convenient shopping. Such demand will especially assist the ongoing efforts to modernize the City's aging housing stock. Interestingly, the strengthening of the local housing stock should reinforce the local retail economy, creating a synergy that mutually advances the City.

Other opportunities for long-term strengthening of the local economy should include properly locating new retail to maximize the effects of proximity to new office development.

This should be done in order to create convenience for office workers, ensure beneficial mixes and concentrations of uses such as currently exist in the City and reduce travel along the City's already busy commercial corridors.

Several impediments exist that may slow down attempts to extract the highest performance from the City Corridor. Perhaps the foremost potential obstacle, and one that is by no means unique to the City, is the local traffic situation. Should it become difficult to access the City's main commercial areas from elsewhere in the region, the geographic reach of the City's economy could be diminished, relegating the City to the less desirable role of serving only the needs of local residents. Clearly, this outcome would be detrimental to the long-range plans for the City to emerge as a regional economic force.

Other potential impediments to the economic advancement of the City include a large number of outdated retail buildings and centers, a lack of tourist traffic in Old Town, and the reliance of most City residents upon motorized transportation for conducting their daily business.

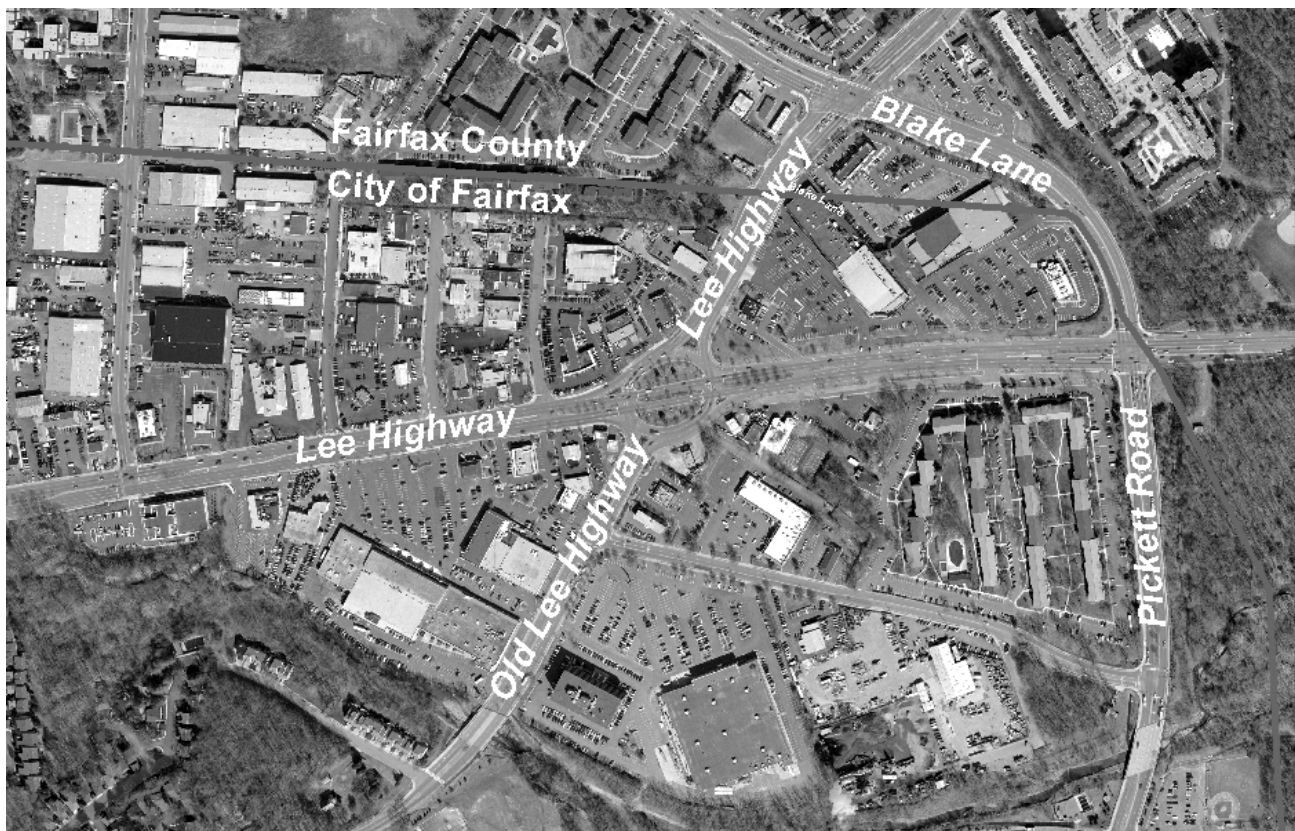


**Willowood office park on Eaton Road.**





Aerial view of Chain Bridge Road and Lee Highway.



Aerial view of Fairfax Circle.





Aerial view of Kamp Washington.



# The Economy— Goal, Objectives & Strategies

*Goal: Cultivate a diverse economy within the City that capitalizes on the City's assets, enhances its small-town character, and expands and strengthens the City's tax base.*

*Objective EC-1 Provide entrepreneurial leadership to stimulate a climate of businesses complementary to the economic, residential and aesthetic interests of the City.*

## Strategies

### **EC-1.1 Encourage the establishment of business sectors that are desirable and appropriate and that are currently underrepresented in the City.**

A diversified economy is generally able to weather economic downturns and is viewed as being more stable than an economy heavily concentrated in one or two sectors. Although it is reasonably diversified, the City's economy would benefit from less dependence on heavily represented sectors.

This strategy should be accomplished, in large part, through the consolidation and redevelopment of existing commercial parcels that are under-utilized or contain obsolete forms of development (deteriorating structures, insufficient parking, outdated architecture and deficient site areas). These consolidated redevelopment parcels would most appropriately be developed as association headquarters, medical offices, or other small to medium-sized offices uses, and enhanced retail areas.

Also appropriate in various commercial areas of the City are information technology related-businesses. While certain segments of this business group (technology services providers, software development, retail sales) are easily accommodated within existing building on available sites, small-scale manufacturing assembly for testing of electronic equipment is required to locate within the City's industrial district. The City's development regulations should be examined and amended, if necessary, to support the policy of encouraging the location of these "clean" technology-related uses within commercial areas of the City.

The City is geographically well-situated within the region with respect to its proximity to GMU, Washington D.C., both Dulles and Reagan Airports, and other points of regional, national and international interest. The CUE Bus system, Metrorail, and I-66 provide convenient access to these points. As a result, opportunity exists to enhance the tourism segment of the City's economy, particularly with the location of additional hotels, conference facilities, retail establishments, and quality restaurants. These uses are particularly appropriate along the Lee Highway corridor and within Old Town Fairfax.

The implementation of this strategy will depend upon the extent to which the City can provide the appropriate business climate. This involves evaluating the current package of economic incentives offered by the City and refining those incentives to support the most effective program possible. The objectives and strategies detailed below provide further recommendations for business development, recruitment and retention.

### **EC-1.2 Improve the appearance of public properties and rights-of-way in conformance with the Community Appearance Plan.**

A quality environment provides the setting for quality development. Investment in aesthetics by the public sector often acts as a catalyst for private aesthetic improvements. If quality redevelopment is to be achieved, particularly along the City's commercial corridors, public investment in aesthetic improvements should be initiated as funding becomes available. Grants and community investment should be examined as possible sources to provide or supplement these improvements.

### **EC-1.3 Create recreational, cultural, aesthetic, shopping and other leisure-time amenities to attract workers and visitors as well as residents.**

An enhanced trail system with links to key areas such as neighborhoods, Old Town Fairfax and Lee Highway would not only serve recreational hikers and bicyclists, but would also allow the necessary pedestrian mobility along the commercial corridors. The trails in this



system should be marked with distinctive signage and should include vest pocket parks to provide areas for relaxation. Activities such as weekly noontime concerts, sidewalk art shows and nature walks sponsored by private and public groups should be considered to add interest to these areas and enhance the retail environment.

**EC-1.4 Create a “business boulevard” on Lee Highway that provides a superior physical environment to foster the establishment of desirable and appropriate business.**

The creation of a “business boulevard” involves a multifaceted set of improvements necessary to enhance the function and appearance of the corridor. First, the transportation concerns of sufficient road capacity, safe and effective vehicular access (e.g., consolidation of entrances, reconsideration of service drives), and the development of an appropriate pedestrian environment must be addressed. Next, urban design issues must be addressed to create this enhanced business environment. These include the development and maintenance of a tree canopy along the street and on individual sites, the completion of installation of decorative streetlights, installation of appropriate public infrastructure (e.g., consolidation of parcels, redevelopment of obsolete uses/undesirable sites) and encourage the establishment of targeted businesses.

Elements are already planned or are in place that should make this area an ideal business location. New office development has enhanced the corridor with improved architecture and site amenities. There is a need for office workers to be able to walk along the corridor to supporting retail stores and restaurants in the area. These needs will be served through the implementation of the previously described improvements. These improvements will facilitate more convenient pedestrian circulation, reinforce the mutually beneficial office/retail relationship and create the appropriate framework within which the business boulevard will develop.

In addition to the physical improvements described above, density bonuses, development review, tax incentives and other public economic initiatives should be employed along the corridor to encourage property owners to provide the type of development that complements the boulevard concept.

Ultimately, in conjunction with the guidance contained in the Land Use, Transportation, and Community Appearance Plans, Lee Highway will function as a physically coordinated business “entity” with anchors at each end (relatively densely redeveloped Kamp Washington and Fairfax Circle) that frame future focal points (Northfax Gateway, other substantial redevelopment sites and open space areas). This development framework will be con-

nected by a transportation network featuring an improved Lee Highway with better-defined access points and consistent streetscape features, as well as an enhanced bicycle/pedestrian network with improved trails, sidewalks and lighting.

The City should refine and adopt a corridor master plan by integrating recent planning work pertaining to the Lee Highway Corridor forming the basis of a corridor master plan. Specific recommendations from several disciplines should be incorporated in order to achieve a coordinated set of recommendations of sufficient depth and detail to guide this task. Specifically, the transportation, economic, land use and urban design issues described above must be addressed and integrated into a single, implementable plan that will clearly define a course of action necessary to develop the Lee Highway business boulevard.

**EC-1.5 Establish and reinforce Old Town Fairfax as an economic and cultural focal point.**

Old Town Fairfax is the historic and cultural core of the City. Composed of an historic commercial core and a surrounding Transition District, Old Town Fairfax is the City’s oldest commercial center. To reinforce Old Town as a viable focal point and visitor destination, a greater mass of business and residential uses must be established. Retail businesses and restaurants should be located in first floor spaces of existing Old Town office buildings and should be prominently located in future Old Town development. Among the desired retail businesses are specialty shops including antique shops, gift shops, craft shops, specialty food establishments, and formal restaurants. Cultural activities such as art exhibits, theater performances and other special events should also be held in the Old Town area after business hours.

In addition to capturing university-oriented business, a more intense local market within walking distance of Old Town must be cultivated to assure continuous activity—especially during evenings and weekends. The establishment of additional residential uses near and to a limited extent within the Old Town will help develop this market. Extended pedestrian improvements such as brick sidewalks and crosswalks can serve as identifying features linking the historic downtown with the surrounding Transition District, and decorative gas lights and the undergrounding of utility lines will emphasize and improve the distinctive character of Old Town.

Future economic development in the historic commercial core will emphasize the placement of a critical mass of appropriately scaled retail, restaurant and residential uses that will reinforce the existing businesses and create new customers. This will be accomplished with the

redevelopment of the previously described Logan/Sipan property, and the subsequent development of some of the surface parking lots surrounding that site.

Within the Transition District, economic development efforts will focus on the establishment of uses that complement the historic core and contribute to the “Old Town” concept. Quality restaurant, retail, and residential uses are preferred land uses in the Transition District. Conversely, automobile-oriented uses such as gas stations and stand-alone fast food restaurants should be discouraged in this area. The physical environment should also reinforce the “Old Town” concept through development that is complementary in scale and character while emphasizing pedestrian access between the historic core and the Transition District. The redevelopment of the Main Street Marketplace has been critical to providing a more appropriate entrance to the historic area.

These features, together with continuous street level retail and personal/professional service shops in the core area, will help draw shoppers to Old Town Fairfax. With well-advertised, relatively uniform business hours (including evenings), businesses should flourish in this refined atmosphere if pedestrians can be given safer, more convenient access to their downtown destinations. In conjunction with an overall program to enhance the vitality of Old Town, means of diverting traffic around the core area and improving traffic management should be identified and implemented.

*Objective EC-2 Maximize economic development opportunities created by the proximity of George Mason University (GMU)*

## Strategies

### EC-2.1 Facilitate enhanced land use and transportation between GMU and adjacent portions of the City.

Through land use planning and cooperation with Fairfax County and GMU, the City should ensure that the redevelopment that will occur in the City adjacent to GMU (particularly along School Street) capitalizes on the market created by the University, is designed to respect the “gateway” location, and is accomplished in a manner that provides the appropriate connections and transitions to the nearby residential areas. Recent improvements to Chain Bridge Road, together with the University Drive relocation, will improve access to the University and the School Street area to support this redevelopment. Any such development should also incorporate an enhanced pedestrian/bicycle trail system that is safe, attractive, and convenient for City residents

and University students, staff and faculty. The development of an enhanced trail system will make the businesses located in Old Town Fairfax more accessible to the University market.

### EC-2.2 Cultivate university-related commercial activity in the South Chain Bridge Road Corridor.

With the redevelopment of Old Town Fairfax and the remaining underdeveloped parcels in the School Street area, the City should cultivate university-related businesses that are easily accessible on foot or via public transportation to minimize traffic impact and capitalize on the built-in university market. Certain types of businesses are particularly successful in this type of environment. These may include bookstores, newsstands, boutiques, record stores, and personal service establishments. Coordinated development of conference facilities, hotel and office space and supporting retail, together with sponsorship of special events, should be used to capture this specialized market.

### EC-2.3 Make the City of Fairfax a positive element in the GMU experience and campus environment.

The ongoing expansion of enrollment and residential living at GMU presents an opportunity for the expansion of the local economy as well. Using well-planned additions of retail space, pedestrian amenities and cultural facilities, Old Town Fairfax can capture the spending power of local college students while enhancing the environment that City residents already enjoy. Emphasis should be placed on attracting retailers that will add to the entertainment, dining and shopping options of both City residents and resident students. Additionally, Old Town should be promoted as a destination in general, not just for goods-specific shopping trips.

*Objective EC-3 Initiate and refine programs and policies that support high occupancy rates of office space in the City*

## Strategies

### EC-3.1 Develop a strong office base of professional offices, trade associations and research and development uses.

The substantial redevelopment envisioned in the Land Use Plan will provide opportunities for large office users to locate within the City. However, before there will be additional demand for new office building construction, the vacancy rates in existing office buildings must be reduced and lease rates must increase. The City has been successful in developing a niche in the regional office market that is defined by small business. Because the majority of office space in the

City is composed of relatively small spaces, small businesses must continue to be the focus of the recruitment effort. Professionals, research and development firms, and trade associations are appropriate users for this type of space. Lawyers, title companies, insurance and financial companies are sought to fill the vacant spaces near the Judicial Center, while research and development, corporate headquarters and trade associations are preferred users for Lee Highway.

**EC-3.2 Maintain a proactive approach to filling vacant office space.**

The City has established an aggressive economic outreach program including an advertising campaign with a marketing representative to pursue new users for City office space. Efforts such as these are necessary to ensure that the City remains competitive in the regional office market.

**EC-3.3 Support a strong business retention program.**

A business retention program assists existing City businesses with problems. A significant part of this program is assistance provided by the Economic Development Office in facilitating communication between businesses and the City government. The Office also encourages the Chamber of Commerce and the Small Business Development Center to continue training and education classes for small business entrepreneurs.

*Objective EC-4 Improve tourism services and increase and increase the number and quality of City attractions*

**Strategies**

**EC-4.1 Improve the coordination of City services with George Mason University.**

Tourism services increase City tax revenues and provide customers for existing businesses. Tourism in the City would be enhanced through coordination of the many events that occur at George Mason University (cultural, athletic, educational and conference), with City businesses such as restaurants, motels and shopping.

**EC-4.2 Establish new City events and expand existing events to encourage overnight stays.**

Most City events are either one-day events or of such local (regional) interest that few visitors stay overnight.

These City events should be evaluated for expansion to two or more days, or repackaged to offer activities that entice visitors from outside of the region. In addition, new events should be added which appeal to a wide variety of interests. To support these events, additional bed and breakfast and limited hotel lodging should be actively encouraged.

*Objective EC-5 Increase the City's economic status in the Metropolitan Washington region*

**Strategies**

**EC-5.1 Define and enhance the role of the City as the core of the Central Fairfax market area.**

The City should continue to establish itself as a unique place for business and tourism in the heart of Central Fairfax. Within the context of the larger regional economy, the City should contribute substantially to the economic status of Central Fairfax, sharing opportunities and constraints for increasing regional market share with nearby Fairfax Center and Fair Lakes.

The implementation of the strategies described above will result in an enhanced "business boulevard" on Lee Highway as well as development of specific policies to support the redevelopment necessary to elevate the City's economic position both within the Central Fairfax area and the greater Washington region.

**EC-5.2 Support the creation of a regional marketing organization.**

The City should support creation of a regional organization to coordinate sales promotions, recruit complementary retailers, advocate for public improvements and sustain efforts to improve the retail area.

**EC-5.3 Develop the unique identities of the City's major commercial areas.**

The City should support creation of a regional organization to coordinate sales promotions, recruit complementary retailers, advocate for public improvements and sustain efforts to improve the retail area.